

## Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03

RSC-01 USIA-12 PRS-01 COME-00 EB-11 LAB-06 SIL-01

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P 272218 Z APR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 4157

C O N F I D E N T I A L SANTIAGO 1833

EO 11652: GDS

TAGS: CI ELAB

SUBJ: LABOR DAY WEEKEND STRIKE SITUATION

REF: SANTIAGO 1755

1. SUMMARY. SHARP INCREASE IN STRIKES AND THREATS BY OTHER UNIONS ADDING TO ATMOSPHERE OF TENSION AS CHILE PREPARES FOR LONG LABOR DAY WEEKEND. TENIENTE MINING STRIKE ( REFTEL) CONTINUES INTO SECOND WEEK, WITH MORE WORKERS ADDED TO STRIKE ROLLS. TENIENTE UNION' S LEADERS SEE NO PROSPECTS FOR IMMEDIATE SETTLEMENT. ONE DAY STRIKE OF 7000 SANTIAGO BUSS DRIVERS UNDER WAY TODAY WITH 48- HOUR EXTENDABLE STRIKE BY SAME SCHEDULED FOR LATER. END SUMMARY.

2. TENIENTE UNION LEADERS INFORMED LABATT THAT PRODUCTION HALTED MORNING APRIL 26 AS REMAINING FOUNDRY WORKERS JOINED STRIKE. APPARENTLY ONLY ONE SMALL UNION OF OFFICE EMPLOYEES IN SANTIAGO NOW WORKING. THESE LEADERS SAY CODELCO MANAGEMENT NEGOTIATING TEAMS ATTEMPTED DURING WEEK TO BARGAIN SEPARATELY WITH NINE TENIENTE UNIONS, MAKING OFFER OF 25,000 ESCUDOS BONUS FOR EACH WORKER DIRECTLY INVOLVED IN PRODUCTION AND 20,000 FOR NON- PRODUCTION EMPLOYEES. MEMBERSHIP OF SEVEN OF NINE UNIONS REJECTED OFFER APRIL 25 AND 26 ( ONLY HYDROELECTRIC PLANT UNIT AND SANTIAGO EMPLOYEES ACCEPTED).

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WITH CLOSING OF FOUNDRY AND PRESSURES FROM STRIKING MAJORITY,

REMAINING UNIONS JOINED STRIKE MORNING APRIL 27. UNION LEADERS NOW DESCRIBED STRIKE AS " TOTAL."

3. MIFFED BY CODELCO MANAGEMENT ATTEMPTS BARGAIN SEPARATELY WITH NINE UNIONS, ALL HAVE NOW RESOLVED REFUSAL TO MEETING WITH CODELCO OFFICIALS AND INSIST ON DEALING ONLY WITH MINES MINISTRY OR HIGHER LEVELS OF GOC. SEVERAL UNION LEADERS FEEL SETTLEMENT POSSIBLE IF GOC AGREES BARGAIN WITH GROUP, AND INDICATE THEY WOULD PROBABLY ACCEPT SLIGHTLY HIGHER BONUS OFFER IF COUPLED WITH OFFER GENERAL READJUSTMENT OF WAGES ( SEE REFTTEL).

4. 7000 OF 9000 MEMBER DRIVERS ( ACCORDING TO UNION LADERS) OF FEDERACION DE CHOFERES DE LA LOCOMOCION COLECTIVA PARTICULAR ( PRIVAGELY OWNED URBAN BUSES) STRUCK EARLY MORNING APRIL 27 ON 24- HOUR STRIKE. FEDERATION IS LED BY CHRISTIAN DEMOCRAT ( PDC) WHO DESCRIBED STRIKE AS " DEMONSTRATION OF STRENGTH." UNION HAS PUBLICLY ANNOUNCED SUBSEQUENT 48- HOUR EXTENDABLE STRIKE WITH NO FIXED DATE. ISSUES ARE ESTABLISHMENT OF FIXED MINIMUM WAGE, WAGE INCREASE, COMMISSION ON ALL FARES, AND WINTER UNIFORMS. ALTHOUGH STRIKE HAS NOT PARALYZED CITY, IT UNDOUBTEDLY HAS DISRUPTED WORK SCHEDULES AND CREATED HIGH LEVEL OF ABSENCES. UNION LEADERS SAY STRIKE IS NATONAL, BUT WE AS YET HAVE NO REPORTS OF EFFECTS OTHER MAJOR CITIES.

5. LEADERS OF PDC UNION DEPT ( DEPARTAMENTO SINDICAL) DENY ANY OF PRESENT STRIKE ACTIVITY POLITICALLY MOTIVATED, BUT RATHER RESULT OF SEVERAL MONTHS' ACCUMULATION OF UNRESOLVED ISSUES. CLAIM MANY UNIONS HAVE TABLED ACTION WHILE LEADERSHIP AND GOC WERE INVOLVED IN RECENT ELECTION CAMPAIGN AND IN LONG DEBATE OVER GENERAL WAGE READJUSTMENT LEGISLATION.

COMMENT: WE TEND TO ACCEPT THIS CLAIM INsofar AS TENIENTE IS CONCERNED BUT QUESTION IT IN THE CASE OF THE BUS FEDERATION STRIKE. ALTHOUGH BOTH STRIKES BASED ON LEGITIMATE ECONOMIC ISSUES, TENIENTE IS LONG STANDING GENUINE GRASSROOT COMPLAINT, WHILE BUS FEDERATION ISSUES AND TIMING SEEM QUESTIONABLE.

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6. PDC LEADERS ALSO DESCRIBED AS " VERY PLAUSIBLE" THE MANY RUMORS OF A GASOLINE STATION WORKERS STRIKE WHICH ARE CIRCULATING IN SANTIAGO. THEY CLAIM STATION OWNERS REFUSING TO PAY PREVIOUSLY NEGOTIATED WAGE INCREASE, WITH HOPE OF FORCING STRIKE WHICH WOULD STRENGTHEN THEIR DEMAND FOR INCREASE IN GAS PRICES. SAY THERE IS STRONG SENTIMENT IN UNION ( NATIONAL FED OF GASOLINE SERVICE STATION WORKERS) FOR CALLING STRIKE SOMETIME DURING LABOR DAY WEEKEND)

7. ANOTHER POSSIBILITY FOR STRIKE ACTION EXISTS IN THE LARGE NATIONAL ASSOCIATION OF GOVT WORKERS ( ANEF). ORGANIZATION HAS AUTHORIZED STRIKE ACTION IF GOC " REAJUSTED" LAW DOES NOT PROVIDE 100 PERCENT OF COST- OF- LIVING INCREASE TO THEIR HIGHER PAID MEMBERSHIP. ALTHOUGH ALL OF ORGANIZATION' S TOP LEADERSHIP ARE RADICAL PARTY ( PR), THEY HAVE VOICED STRONG CRITICISM OF UP IN RECENT MONTHS. MOST CLAIM THEY WILL STRIKE SOON IF " REAJUSTED" SOLUTION NOT FOUND. COMMENT: ALTHOUGH PRIMARY CAUSE OF RECENT INCREASE LABOR UNREST IS UNDOUBTEDLY BASED ON BREAD- AND- BUTTER ISSUES, GENERAL ATMOSPHERE OF EXCITEMENT CREATED BY STREET INCIDENTS ( SANTIAGO 1810 AND SEPTEL) COULD PRECIPITATE MORE IMMEDIATE STRIKE ACTIVITY.  
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